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FM SECSTATE WASHDC  
TO RUEHOT/AMEMBASSY OTTAWA 0568  
INFO RUEHMT/AMCONSUL MONTREAL 0060  
RHMCSSU/FBI WASHINGTON DC 7134  
RUEAIIA/CIA WASHINGTON DC  
RUCPDOC/USDOC WASHINGTON DC 6120  
RUEKJCS/SECDEF WASHINGTON DC  
RUEPINS/HQ BICE INTEL WASHINGTON DC 0774

UNCLAS SECTION 01 OF 02 STATE 122385

SIPDIS  
OTTAWA FOR LORI BALBI

E.O. 12958: N/A

TAGS: ETTC KOMC CA

SUBJECT: BLUE LANTERN LEVEL 3: POST-SHIPMENT END-USE CHECK  
ON THE EXPORT OF U.S. DEFENSE ARTICLES CITING THE CANADIAN  
EXEMPTION

REF: 2006 BLUE LANTERN GUIDEBOOK

¶1. This is an Action Request. See paragraphs 2-4.

¶2. The Department's Office of Defense Trade Controls  
Compliance (PM/DTCC) requests Embassy's assistance in  
conducting a post-shipment check on a transaction citing the  
Canadian exemption for the export of displacement gyroscopes  
to Canada. Embassy is requested to complete this Blue  
Lantern check within 45 days. Lack of response to a Blue  
Lantern check will affect pending and future licenses  
involving parties to this license.

¶3. Reason for request: Under ITAR 126.5 (Canadian Exemption),  
certain United States Munitions List (USML) items may be  
exported to Canada without a license. Some items on USML  
Category VIII - which includes displacement gyroscopes - may  
be subject to Missile Technology Control Regime (MTCR)  
restrictions and may require a license depending on commodity  
specification and type. DDTC requests this check based on  
vague description of commodity and end-use in export filing.

¶4. ACTION OTTAWA: Mission Canada is requested to make  
inquiries with appropriate MHD International Aviation Parts  
(MHD) officials to obtain all relevant details regarding the  
export of displacement gyroscopes to Canada citing the  
Canadian exemption, including exact commodity description and  
technical parameters for performance and capability, number,  
type, dollar value, and serial number of items. (See  
paragraph 5 for details of export, including filer  
identification and shipping reference numbers).

The following questions are provided as suggested guidance:

--What were the exact United States Munitions List (USML)  
articles exported to you on February 21st 2007? (Automated  
Export System (AES) filing data provides the following  
information, "displacement gyroscope".) Please provide  
detail on model, type and technical specifications.

--What is the exact end-use for these USML items? Will MHD  
be the sole end-user and retain positive control over the  
displacement gyroscopes at all times? Will they be  
transferred to other end-users in Canada or re-exported?

--Does the company understand the restrictions on USML items,  
especially the prohibition against unauthorized re-transfer  
and re-export?

END ACTION.

¶5. Details of the AES filings:

--EXPORT 1 - QUANTITY/COMMODITY:

Quantity not provided

Commodity - Vague description cited as, "displacement gyroscope"

Stated Value: USD 5,580.00

Export Date - 21 February 2007

ITAR Exemption Number - 126.5B

Filer Identification Number - 521893632

Shipping Reference Number - 42021116

Export Identification Code - 95309106200

U.S. EXPORTER:

Lockheed Martin  
244 Terminal Rd. Bldg. 1051  
Greenville, SC 29605  
POC is Mr. Cureton, Tel. 864-236-3281

ULTIMATE CONSIGNEE

STATE 00122385 002 OF 002

MHD International Aviation Parts  
1830 Marie Victorin  
St. Bruno, Quebec  
Canada J3V6B9  
No POC provided

16. Please slug reply for PM/DTCC - BLUE LANTERN COORDINATOR and include the words "Blue Lantern" and the case number in the subject line. POC is Tim Mazzarelli, Phone: 202-663-3867; Email: MazzarelliTP@state.gov; SIPRNET: MazzarelliTP@state.sgov.gov. The Blue Lantern Guidebook (ref) is available as a PDF file on Intellipedia: [http://www.intelink.gov/wiki/Blue\\_Lantern\\_End-Use\\_Monitoring\\_Program](http://www.intelink.gov/wiki/Blue_Lantern_End-Use_Monitoring_Program).

17. Department is grateful for post's assistance in this matter.

CLINTON